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# INTERIM OPERATING AGREEMENT

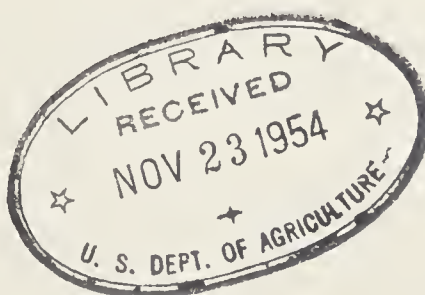
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### 1. GENERAL

Exhibit A - Model Interim Operating Agreement

### 1. GENERAL

- 1.1 Under certain circumstances it may be desirable for an REA borrower to provide for the operation of acquired telephone property by the former owner until completion of construction and cutover to dial operation. When such is the case and provision is not made in the sales agreement a separate Interim Operating Agreement should be executed.
- 1.2 The attached model (Exhibit A) may be used as a guide by borrowers in preparing an Interim Operating Agreement to fit their particular need.





INTERIM OPERATING AGREEMENT

AGREEMENT, made as of \_\_\_\_\_, 19\_\_\_\_, between

\_\_\_\_\_  
(hereinafter called the "Operator"), a corporation of the State of \_\_\_\_\_

\_\_\_\_\_, and \_\_\_\_\_

\_\_\_\_\_  
(hereinafter called the "Owner"), a corporation  
of the State of \_\_\_\_\_.

WHEREAS, by Deed and Bill of Sale dated as of \_\_\_\_\_,  
19\_\_\_\_, the Operator transferred to the Owner certain telephone properties  
(hereinafter called the "Present System"), and

WHEREAS, the Owner proposes to install in the Present System the  
equipment necessary to enable the Present System to be cutover to dial  
operation (the Present System as altered for dial operation being hereinafter  
called the "Dial System"), and

WHEREAS, the parties desire that the Operator shall continue operation  
of the Present System pending completion of the Dial System.

NOW, THEREFORE, in consideration of the mutual undertakings herein  
contained, the parties hereto agree as follows:

1. Operation. The Operator shall continue to operate and maintain  
the Present System in accordance with the standards and practices followed  
by the Operator prior to the transfer of the Present System to the Owner.

2. Compensation. The Operator shall receive all fees and charges  
for services to subscribers of the Present System at the rates in effect  
on the date of execution of the Deed and Bill of Sale above referred to  
and shall pay all expenses of operation and maintenance, including taxes,  
in respect to the Present System.

3. Term. This Agreement shall become effective upon approval in  
writing by the Administrator of the Rural Electrification Administration  
and shall continue in force until the Present System is cutover to the  
Dial System (hereinafter called the "Termination Date"), provided, however,  
that this Agreement shall not continue in force later than \_\_\_\_\_,  
19\_\_\_\_, and provided further, however, that the Owner may,  
subject to the approval of the Administrator of the Rural Electrification  
Administration, by giving ten (10) days notice in writing to the Operator,  
terminate this Agreement at any time.



4. Capital Additions. The Owner shall on the Termination Date reimburse the Operator for the actual cost of all capital additions to the Present System made during the term hereof, provided, however, that the Operator shall not make any expenditure for a capital addition to the Present System without the written consent of the Owner.

5. Stores, Materials and Supplies. If the aggregate cost of all stores, materials and supplies held by the Operator on the Termination Date in connection with its operation of the Present System hereunder (exclusive of stores, materials and supplies salvaged as a result of retirements) shall be greater or less than the amount of all stores, materials and supplies included in the Present System at the commencement of this Agreement, the Operator and the Owner shall make a cash adjustment for any increase or decrease, the Operator paying the Owner for the amount of any decrease and the Owner paying the Operator for the amount of any increase.

6. Prepaid and Deferred Accounts. The Operator and the Owner shall prorate as of the Termination Date all prepayments and deferred payments made or to be made on account of operation and maintenance expenses, including taxes, and all prepayments and deferred payments received or to be received pursuant to subscribers' service agreements or other agreements relating to the Present System.

7. Inspection. During the term of this Agreement, the Owner shall at all times be permitted to make all reasonable inspections of the Present System and of the Operator's operating records pertaining thereto.

8. Discontinuance. Upon the Termination Date, subject to the provisions of sections 4 and 5 hereof, the Operator shall return possession of the Present System to the Owner in the same condition as at the commencement of this Agreement, reasonable wear and tear excepted, and shall not thereafter without the Owner's written permission directly or indirectly furnish telephone service in the territory now served by the Present System or in the territory now served by the Owner so long as the Owner shall continue to serve subscribers within said territories.

9. Administrator. Any reference herein to the Administrator shall be deemed to mean the Administrator of the Rural Electrification Administration, or his duly authorized representative, or any other person or authority in whom may be vested the duties and functions which such Administrator is now or may hereafter be authorized by law to perform.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Operator and the Owner have caused this instrument to be signed, sealed and delivered by their duly authorized officers all on the day and year first above written.

\_\_\_\_\_  
By \_\_\_\_\_  
President

(SEAL)

Attest:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
By \_\_\_\_\_  
President

(SEAL)

Attest:

\_\_\_\_\_  
Secretary

